



City of Wheatland

111 C Street Wheatland, California 95692

TELEPHONE (530) 633-2761
FAX (530) 633-9102

December 9, 2009

Lakemont Overland Crossing, LLC
c/o Lakemont Communities
1504 Eureka Road, Ste. 160
Roseville, CA 95630

Lakemont Overland Crossing, LLC
c/o Lakemont Communities
140 Diamond Creek Place
Roseville, CA 95747

Re: Jones Ranch Development Agreement: City of Wheatland **Notice of Default**

To Whom It May Concern:

Pursuant to section 5.1.1 of the development agreement between the City of Wheatland ("City") and Lakemont Overland Crossing, LLC ("Lakemont") for the Jones Ranch Development, as amended, (the "Development Agreement"), this letter constitutes the City's Notice of Default.

The nature of Lakemont's default consists of each of the following:

Lakemont has Failed to Reimburse the City for Lakemont's Pro-Rata Share of the Highway 65/Main Street Signal Improvements. Lakemont is responsible for its pro-rata share of these improvement costs pursuant to section 3.7.1 of the Development Agreement. The outstanding balance of Lakemont's obligation under section 3.7.1 of the Development Agreement is \$66,826.49. Lakemont has failed to reimburse the City for the balance of its pro-rata share of these improvements.

Lakemont has Failed to Fund the Levee Development Fee Study. Amendment No. 1 to the Development Agreement, which was executed on June 10, 2008 and recorded on September 11, 2008, obligates Lakemont to fund in advance its pro-rata share of the

Mailed to Both

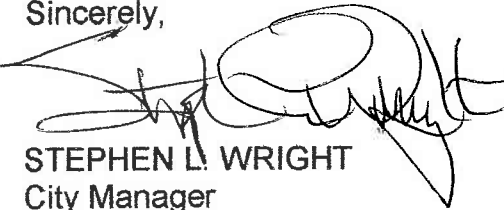
City's project costs for the City's Levee Development Fee Study, which amounts to \$22,492.57. Lakemont has failed to provide the City advance funding for this fee study.

Lakemont has Failed to Comply With the Provisions of the Development Agreement Regarding Joint Park/Use With Wheatland Union High School District. Lakemont is non-compliant with sections 3.2.1.2 and 3.2.4 of the Development Agreement.

Lakemont's default may be satisfactorily cured by: (1) reimbursing the City in the amount of \$66,826.49 for Lakemont's pro-rata costs of the Highway 65/Main Street Signal Improvements; (2) advancing the City funds in the amount of \$22,492.57 to satisfy Lakemont's pro-rata share of the City's Levee Development Fee Study; and (3) producing evidence of compliance with sections 3.2.1.2 and 3.2.4 of the Development Agreement.

Lakemont has 30 days from the date of this Notice of Default to satisfactorily cure its default. If Lakemont fails to cure its default within 30 days after the date of this Notice of Default, then the City intends to terminate the Development Agreement, as amended, in the manner set forth in sections 5.1.2 and 5.1.3 of the Development Agreement, Chapter 17.49 of the Wheatland Municipal Code (Ordinance No. 330), Government Code sections 65864 through 65869.5 and other applicable law.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen L. Wright", is written over the printed name and title.

STEPHEN L. WRIGHT
City Manager

Cc: Richard Shanahan
City Attorney



City of Wheatland

111 C Street

Wheatland, California

95692

TELEPHONE (530) 633-2761

FAX (530) 633-9102

December 9, 2009

Mr. Brian Cutting
Mr. John Stewart
Wheatland Heritage Oaks, LLC
111 Woodmere Drive, Suite 190
Folsom, CA 95630

Mr. Brian Cutting
Mr. John Stewart
Wheatland Heritage Oaks, LLC
8205 Sierra College Boulevard, Ste. 100
Roseville, CA 95661

Mr. Milo Terzich
Premier Homes
8205 Sierra College Boulevard, Ste. 100
Roseville, CA 95661

**Re: Wheatland Heritage Oaks Estates Development Agreement: City of Wheatland
Notice of Default**

Gentlemen:

Pursuant to section 5.1.1 of the Development Agreement between the City of Wheatland ("City") and Wheatland Heritage Oaks, LLC ("Heritage Oaks") for the Heritage Oaks Estates Development, as amended, (the "Development Agreement"), this letter constitutes the City's Notice of Default.

The nature of Heritage Oaks' default consists of each of the following:

Heritage Oaks has Failed to Reimburse the City for Heritage Oaks' Pro-Rata Share of the Highway 65/Main Street Signal Improvements. Heritage Oaks is responsible for its pro-rata share of these improvement costs pursuant to section 3.7.1 of the Development Agreement. The outstanding balance of Heritage Oaks' obligation under section 3.7.1 of the Development Agreement is \$15,968.10. Heritage Oaks has failed to reimburse the City for the balance of its pro-rata share of these improvements.

Mailed to all 3

Heritage Oaks has Failed to Fund the Levee Development Fee Study. Amendment No. 1 to the Development Agreement, which was executed on June 10, 2008 and recorded on September 11, 2008, obligates Heritage Oaks to fund in advance its pro-rata share of the City's project costs for the City's Levee Development Fee Study, which amounts to \$18,484.46. Heritage Oaks has failed to provide the City advance funding for this fee study.

Heritage Oaks has Failed to Reimburse the City for City Entitlement and Processing Charges. Heritage Oaks is required to pay all applicable City entitlement and processing fees and charges pursuant to section 2.8.1 of the Development Agreement, and City Resolution 01-07 provides for full cost billing and reimbursement. Heritage Oaks is now \$25,227.09 delinquent in its fee obligations. These charges are almost entirely engineering charges for the project that were incurred during the 2007-2008 fiscal year. Heritage Oaks has failed to reimburse the City for these fees and charges.

Heritage Oaks' default may be satisfactorily cured by: (1) reimbursing the City in the amount of \$15,968.10 for Heritage Oaks' pro-rata costs of the Highway 65/Main Street Signal Improvements; (2) advancing the City funds in the amount of \$18,484.46 to satisfy Heritage Oaks' pro-rata share of the City's Levee Development Fee Study; and (3) reimbursing the City for fees and charges in the amount of \$25,227.09.

Heritage Oaks has 30 days from the date of this Notice of Default to satisfactorily cure its default. If Heritage Oaks fails to cure its default within 30 days after the date of this Notice of Default, then the City intends to terminate the Development Agreement, as amended, in the manner set forth in sections 5.1.2 and 5.1.3 of the Development Agreement, Chapter 17.49 of the Wheatland Municipal Code (Ordinance No. 330), Government Code sections 65864 through 65869.5 and other applicable law.

Sincerely,



STEPHEN L. WRIGHT
City Manager

Cc: Richard Shanahan
City Attorney



City of Wheatland

111 C Street

Wheatland, California

95692

TELEPHONE (530) 633-2761

FAX (530) 633-9102

December 9, 2009

Mr. Ronald Scott
 Trivest Land Co., Inc.
 950 Tharp Road, Suite 202
 Yuba City, CA 95993

Re: Heritage Oaks Estates-East Development Agreement: City of Wheatland **Notice of Default**

Dear Mr. Scott:

Pursuant to section 5.1.1 of the Development Agreement between the City of Wheatland ("City") and Trivest Land Company, Inc. ("Trivest") for the Heritage Oaks Estates-East, as amended, (the "Development Agreement"), this letter constitutes the City's Notice of Default.

The nature of Trivest's default consists of each of the following:

Trivest has Failed to Reimburse the City for Trivest's Pro-Rata Share of the Highway 65/Main Street Signal Improvements. Trivest is responsible for its pro-rata share of these improvement costs pursuant to section 3.7.1 of the Development Agreement. The outstanding balance of Trivest's obligation under section 3.7.1 of the Development Agreement is \$218,076.22. Trivest has failed to reimburse the City for the balance of its pro-rata share of these improvements.

Trivest has Failed to Fund the Levee Development Fee Study. Amendment No. 1 to the Development Agreement, which was executed on June 10, 2008 and recorded on September 11, 2008, obligates Trivest to fund in advance its pro-rata share of the City's project costs for the City's Levee Development Fee Study, which amounts to \$2,063.00. Trivest has failed to provide the City advance funding for this fee study.

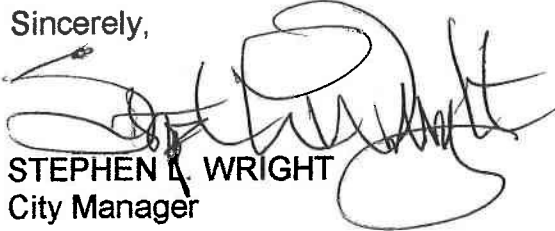
Trivest has Failed to Reimburse the City for City Entitlement and Processing Charges. Trivest is required to pay all applicable City entitlement and processing fees and charges pursuant to Section 2.8.1 of the Development Agreement and City Resolution 01-07 provides for full cost billing and reimbursement. Trivest is now \$347.50 delinquent in its fee obligations.

Mailed to Scott/Rubin

Trivest's default may be satisfactorily cured by: (1) reimbursing the City in the amount of \$152,454.57\$218,076.22 for Trivest's pro-rata costs of the Highway 65/Main Street Signal Improvements; (2) advancing the City funds in the amount of \$ 2,063.00 to satisfy Trivest's pro-rata share of the City's Levee Development Fee Study and (3) reimbursing the City in the amount of \$347.50 for the entitlement and processing fees.

Trivest has 30 days from the date of this Notice of Default to satisfactorily cure its default. If Trivest fails to cure its default within 30 days after the date of this Notice of Default, then the City intends to terminate the Development Agreement, as amended, in the manner set forth in sections 5.1.2 and 5.1.3 of the Development Agreement, Chapter 17.49 of the Wheatland Municipal Code (Ordinance No. 330), Government Code sections 65864 through 65869.5 and other applicable law.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen L. Wright", is written over the typed name and title.

STEPHEN L. WRIGHT
City Manager

cc: Michael A. Rubin
Hefner, Stark & Marois
2150 River Plaza Drive, Ste. 450
Sacramento, CA 95833

Richard Shanahan
City Attorney